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Economic statistics: International Comparison Programme

Report of the World Bank on the International Comparison Programme

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report on the International Comparison Programme prepared by the International Comparison Programme Global Office of the World Bank (see annex). The report, which is transmitted in accordance with the request of the Commission at its thirty-fifth session,** is submitted to the Commission for information.

* E/CN.3/2005/1.

** See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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Annex

Report of the World Bank on the International Comparison Programme

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Introduction

1. At its thirty-third session, the Statistical Commission discussed and considered a new strategic framework for the International Comparison Programme (ICP), including an international governance arrangement and a broad implementation plan, prepared by the World Bank. The Commission recognized the financial and in-kind support already secured as a result of a cost-sharing arrangement established by the sponsors of the Programme, and supported the launch of the new millennium round of ICP.

2. Accordingly, a consortium comprising national, regional and international agencies was founded, and an Executive Board was established. The ICP Executive Board, equivalent to the board of directors in the corporate model, is responsible for the successful implementation of the ICP new millennium round. An international secretariat has been set up in the World Bank and charged with the day-to-day management and coordination of the global programme.

3. The Executive Board has provided effective leadership on the scope of ICP and the overall work plan. The members, representing all of the regional coordinating organizations as well as national statistical offices, have promoted a strong sense of partnership and ownership among all stakeholders. Their continued support of the programme has enhanced fund-raising efforts. Some of the major issues resolved included deciding that 2005 would be the reference year for this round (2003-2006) and that its scope should be at the full gross domestic product (GDP) level.

4. The partnership arrangements with international organizations continue to grow as the World Health Organization (WHO), the International Labour Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) have provided valuable input towards the health, compensation and education components of the comparison. While the Statistical Office of the European Communities (Eurostat)-Organization for Economic Cooperation and Development (OECD) Purchasing Power Parity (PPP) Programme operates independently of global ICP, the cooperation between the two programmes is an excellent example of effective development partnership between international organizations. The results of the two programmes will be brought together as some of their member countries will participate in the global Ring Comparison, which will provide the linkage between the regions.

5. Significant progress has been made, with all regions prepared to begin collecting prices in early 2005 for the 100 household consumption basic headings. As the ICP regions complete product specifications for consumption and begin collecting prices, attention is being directed towards the more difficult areas such as housing, construction, equipment and compensation. Consultants were engaged to prepare papers for each of these areas and to present them to the ICP Technical Advisory Group (TAG).

6. The present report discusses the status of the global and regional activities of the Programme since the thirty-fifth session of the Statistical Commission, held in March 2004, and invites the Commission to take note of the progress that has been made to date. As the Programme is at a pivotal stage, with many issues evolving, there will be an update to this report distributed as a room document at the thirty-sixth session of the Commission.

I. Financial and organizational status

A. Financial status

7. The Programme's short-term funding situation has improved significantly because of successful efforts at the global and regional levels. Several of the regions have been successful in their efforts to raise funds. The World Bank was able to offset about US$ 2.0 million of costs through the contribution from its internal data budget. As a result of the above efforts, the deficit has been reduced to about US$ 1.1 million through fiscal year 2007. While the deficit for the short term has been reduced, fund-raising needs to continue if ICP is to become a sustainable programme. The Global Office has also disbursed funds to every region for the procurement of computers, translation of materials, and other support.

B. Regional coordinators

8. In each of the five ICP regions — Africa, Asia and the Pacific, the Commonwealth of Independent States (CIS), Latin America and Western Asia — regional coordinating agencies have mobilized appropriate staff, funding and other resources to implement and monitor the Programme at the regional level. The African Development Bank is the regional coordinating office for ICP Africa. The Asian Development Bank is in charge of the Asia-Pacific region. The Federal State Statistical Service of the Russian Federation (Rosstat), the Interstate Statistical Committee of the Commonwealth of Independent States (CISSTAT) and the Bureau of Economic Analysis Foundation, Russian Federation, are coordinating ICP activities in the CIS region. The Economic Commission for Latin America and the Caribbean (ECLAC) and Statistics Canada are jointly coordinating the Latin American comparison. The Economic and Social Commission for Western Asia (ESCWA) is in charge of Western Asia. OECD, in collaboration with Eurostat, spearheads the Eurostat-OECD PPP Programme in its member countries and these organizations are responsible for their region.

C. Country participation

9. A total of 153 countries (Egypt and the Russian Federation are counted in two lists) are participating in the ICP 2003-2006 round, including the 45 participating in the Eurostat-OECD PPP Programme (see table). Fifty countries are taking part in ICP-Africa, of which 35 are expected to participate in full GDP surveys; 8 in consumption surveys only; and 7 on an experimental basis, that is to say, survey results will not be included in the final analysis. In the Latin America region 10 countries will be participating in full GDP surveys. Twenty-three countries or areas, will take part in Asia and the Pacific, including 17 in the full-scale surveys and 5 in consumption surveys only. In the CIS region, 12 countries will participate in full GDP surveys. In Western Asia, 10 will participate in full GDP surveys, 1 (Yemen) will participate in consumption surveys only and 2 (Iraq and Palestine) will participate on an experimental basis. The table summarizes the country participation in ICP 2003-2006. Efforts are under way to include some of the Pacific island countries (Fiji, Cook Islands, Vanuatu, Samoa, Papua New Guinea and Tonga) for a limited comparison. These efforts are being funded by the Australian International Aid Agency and managed by the Australian Bureau of Statistics. ICP is also seeking funding support to include the participation of at least some Central American countries and Caribbean islands.

Countries or areas participating in ICP 2003-2006

	Africa	*Latin America*	*Asia-Pacific*	*CIS*	*Western Asia*	*Eurostat-OECD PPP Programme*
1	Algeria	Argentina	Bangladesh	Armenia	Bahrain	Albania
2	Angola	Bolivia	Bhutan[a]	Azerbaijan	Egypt	Australia
3	Benin	Brazil	Brunei Darussalam	Belarus	Jordan	Austria
4	Botswana	Chile	Cambodia[a]	Georgia	Iraq[b]	Belgium
5	Burkina Faso	Colombia	China	Kazakhstan	Kuwait	Bosnia and Herzegovina
6	Burundi[c]	Ecuador	Hong Kong SAR of China	Kyrgyzstan	Lebanon	Bulgaria
7	Cameroon	Paraguay	India	Moldova, Republic of	Oman	Canada
8	Cape Verde	Peru	Indonesia	Russian Federation[d]	Palestine[b]	Croatia
9	Central African Republic[c]	Uruguay	Iran, Islamic Republic of	Tajikistan	Qatar	Cyprus
10	Chad[c]	Venezuela, Bolivarian Republic of	Fiji[a]	Turkmenistan	Saudi Arabia	Czech Republic
11	Democratic Republic of the Congo		Lao People's Democratic Republic[a]	Ukraine	Syrian Arab Republic	Denmark
12	Congo[c]		Malaysia	Uzbekistan	United Arab Emirates	Estonia
13	Côte d'Ivoire		Maldives[a]		Yemen[a]	Finland
14	Djibouti[c]		Mongolia			France
15	Egypt[d]		Myanmar			Germany
16	Equatorial Guinea		Nepal			Greece
17	Ethiopia		Pakistan			Hungary

	Africa	*Latin America*	*Asia-Pacific*	*CIS*	*Western Asia*	*Eurostat-OECD PPP Programme*
18	Gabon		Philippines			Iceland
19	Gambia[a]		Singapore			Ireland
20	Ghana		Sri Lanka			Israel
21	Guinea[a]		Taiwan Province of China			Italy
22	Guinea-Bissau[c]		Thailand			Japan
23	Kenya		Viet Nam			Korea, Republic of
24	Lesotho[a]					Latvia
25	Liberia[c]					Lithuania
26	Madagascar					Luxembourg
27	Malawi					Macedonia, the former Yugoslav Republic of
28	Mali					Malta
29	Mauritania[a]					Mexico
30	Mauritius					Netherlands
31	Morocco					New Zealand
32	Mozambique					Norway
33	Namibia					Poland
34	Niger[a]					Portugal
35	Nigeria					Romania
36	Rwanda					Russian Federation
37	Senegal					Serbia and Montenegro

	Africa	*Latin America*	*Asia-Pacific*	*CIS*	*Western Asia*	*Eurostat-OECD PPP Programme*
38	Seychelles[a]					Slovakia
39	Sierra Leone					Slovenia
40	Somalia					Spain
41	South Africa					Sweden
42	Sudan[a]					Switzerland
43	Swaziland					Turkey
44	Tanzania, United Republic of					United Kingdom
45	Togo[a]					United States
46	Tunisia					
47	Uganda					
48	Zambia					
49	Zimbabwe					
50	Libyan Arab Jamahiriya					
Total (153)	**50**	**10**	**23**	**12**	**13**	**45**

[a] Participating in consumption surveys only.
[b] Under discussion.
[c] Participating on trial basis.
[d] Counted in two lists.

II. Research and development

A. ICP Technical Advisory Group

10. The Technical Advisory Group advises ICP on technical and methodological issues. It has been active in providing advice on a number of technical issues relating to the approach to be followed by ICP. Minutes of Technical Advisory Group meetings are available from the ICP web site (www.worldbank.org/data/icp/).

B. ICP Handbook

11. In the course of this ICP round, the ICP Handbook has been entirely revised, although not all the chapters of the new version are available on the ICP web site. The chapters dealing with principles, theoretical issues, survey organization and consumption are in final form; and chapters on validation, government services, capital formation, and basic heading parities, which have been added in draft form for discussion purposes, are being progressively updated.

C. ICP Operational Manual and Price Collector's Guide

12. The ICP Global Office has prepared a step-by-step guide for national coordinators. It is a practical guide summarizing all activities and functions of country offices in preparation for price collection. It is accompanied by a Price Collector's Guide. Both have been sent to the regional coordinating offices for distribution to country offices and are also available on the ICP web site.

D. Global Ring Comparison programme

13. The ICP Global Office is coordinating the Ring Comparison with the help of regional offices. A multilateral approach is being used by ICP to link regional PPPs in order to generate global PPPs expressed in a common currency. The multilateral Ring Comparison endorsed by the ICP Executive Board and Technical Advisory Group requires a selected number of countries or areas from each region to participate in a separate comparison organized specifically to provide a link between regions. These countries or areas are: Africa — Egypt, Kenya, Senegal, South Africa and Cameroon; Asia — Hong Kong Special Administrative Region (SAR) of China, Malaysia, Sri Lanka and the Philippines; CIS: the Russian Federation and Kazakhstan; Eurostat-OECD: the United Kingdom of Great Britain and Northern Ireland, Japan, Estonia and Slovenia; Western Asia — Oman and Jordan; and Latin America — Brazil and Chile. The "Ring countries" will be pricing a common global Ring product list in addition to their individual regional lists.

14. The Ring product list is currently being developed by the Global Office. The timetable calls for the "Ring list" to be completed by June 2005 so that the Ring countries can begin collecting the data within the August-October 2005 time frame.

E. ICP Tool Pack

15. ICP has invested substantially in new technology over the last year in order to enhance the quality of data and help countries build sustainable statistical capacity. The result is the ICP Tool Pack, an integrated software system that helped the ICP systems offshore team in India win an award for excellence. The system is designed to help in the compilation, analysis and review of price data for ICP. It can be used to support the consumer price index (CPI) programme in countries and provides a framework that can serve programmes for other price and wage indices including producer or wholesale price indices, import price indices and unit cost indices. The Tool Pack has been distributed free of charge to countries participating in the programme via ICP regional offices and is available in the six United Nations languages (English, Arabic, French, Chinese, Spanish and Russian). Regional offices are helping countries translate related documentation into local languages depending on their needs. Both the global and regional offices have given users extensive hands-on training in the use of the system. Help desks have also been set up in both the global and regional offices in order to efficiently report, coordinate and resolve queries and issues related to the Tool Pack. The Tool Pack has undergone extensive in-house as well as independent external testing (by national statistical offices in Canada, India, Kuwait and Uganda as well as the African Development Bank). Tool Pack supporting documentation has been sent to the regions, including (a) installation guides; (b) user guides; (c) a troubleshooting guide; (d) a Tool Pack flow chart; (e) a quick start guide; and (f) training exercises. A data-processing module (including Quaranta table, data aggregation, index number calculation and reports) is also ready for distribution and has undergone thorough testing. Additional documentation is currently being prepared to support the data-processing module.

F. Advocacy and communication campaign

16. The ICP web site has been overhauled completely in order to improve its performance as the primary source of information about the Programme. Currently, it is able to provide ICP technical experts and regional offices with a forum for discussion about important issues, and access to the ICP Handbook, the operational manual, the newsletter and information about regional meetings, etc. It also plays an important part in providing support to users of the ICP Tool Pack by posting the latest versions/upgrades of the system and frequently asked questions.

17. The ICP Global Office also initiated the publication of an e-newsletter (*ICP News*) to keep partners and stakeholders well informed about the Programme's work in progress, upcoming events, learning tools and materials, etc. The four issues of the newsletter published so far have generated much interest among the members of the statistics community and efforts are under way to increase the subscriber base.

18. A new set of advocacy material has been created by the ICP Global Office as part of its communication strategy to develop a clear understanding of the significance of the Programme and its activities, to foster deeper relations and improved dialogue with potential donors and national policy makers, and to keep all stakeholders well informed and committed to the Programme. The target audience for the material includes national statistical offices, government ministries responsible for disbursing resources to programmes, donor organizations and the

academic community. The ICP Executive Board recognized the clear need to demonstrate how PPPs generated by the programme could be used for policy and investment purposes. Brochures have been developed to this end on the following topics:

- International Comparison Programme (ICP): an overview of the 2003-2006 round
- Country participation in the ICP 2003-2006 round
- ICP software
- Uses of PPPs
- Methodology used by ICP to generate PPPs, with detailed examples

19. The Global Office has also prepared press releases for dissemination among the media by the World Bank, regional offices and national statistical offices.

G. Purchasing power parities (PPPs) for the poor

20. The Poverty Advisory Group (PAG) met in Washington, D.C., on 25 May 2004 to discuss the preliminary results of two pilot studies in Asia and Africa, with the objective of building consensus on a short-term strategy to generate poverty-focused PPPs using the 2005 round of ICP surveys and proposing what could be done concurrently to bring poverty-focused PPPs into the mainstream work of ICP over the long term. The studies examined household expenditure and unit value data from national surveys on household/family expenditures for the purpose of calculating poverty-specific PPPs. The countries in the pilot programme included India, Indonesia, Ethiopia and Ghana.

21. The results of two studies show that poverty-specific PPPs can be generated using data from household expenditure surveys. The Poverty Advisory Group stressed, however, that, given the time and resource constraint, the approach could not be used to generate poverty PPPs for a large number of countries. The general consensus is that, in the short term, integrating price and expenditure information from ICP and household budget surveys will help fill the critical gap in micropoverty data. The Poverty Advisory Group suggested that the International Comparison Programme could make an important contribution to poverty work by examining the PPPs at the basic heading level and reweighting them using expenditure shares of the lower quintiles of the expenditure distribution of countries where poverty was prevalent.

22. Work on unit values should continue as a pilot project involving several directions relevant to both poverty work and ICP methods. Additional pilot studies including Pakistan, Mexico, Guatemala and the Russian Federation are under investigation.

III. Status of regional programmes

A. Africa

23. On 8 September 2004, the African Development Fund approved needed resources to support the implementation of ICP-Africa activities over the next three-year period (2004-2007). The African regional office is taking advantage of ICP activities to help improve the statistical capacity of participating countries, including national accounts and price statistics. African countries were scheduled to begin pilot price collection in December 2004. Actual data collection was expected to begin in January 2005.

B. Asia and the Pacific

24. The product list for household consumption has been finalized and completed. Altogether, there are 650 products in the list. Most of the Asian countries plan to collect prices for food items on a monthly basis and prices for clothing and footwear items on a quarterly basis. Seventeen of the 23 participating countries have submitted sampling plans for the price surveys including frequency of price surveys (covering food, clothing and footwear items). These plans are currently being reviewed by the regional coordinating office. National accounts experts in participating countries were asked to send 2003 GDP expenditure weights to the regional coordinator by October 2004. Pilot price collection would begin in the last quarter of 2004. Actual price collection would begin in January 2005.

C. Commonwealth of Independent States

25. The ICP work programme and schedule were approved by the Council of the Heads of Statistical Services of the CIS Countries at its meeting convened at the end of 2003. Product specifications for consumer goods were prepared and creation of a common list of representative items was completed after discussion with national coordinators. CIS countries started collecting prices for consumer goods items in July 2004. Data collection will continue into 2005 to meet the 2005 reference year requirement. Work on the list of investment goods is also under way. Some methodological materials have been prepared to improve the accuracy and international comparability of GDP in the CIS countries. The materials address the problems posed by own account consumption.

D. Western Asia

26. A workshop and national coordinators meeting were held in Cairo from 26 to 30 June 2004 to finalize the regional product list for food and beverages, and clothing and footwear, and to provide training to two statisticians from each country on the ICP Tool Pack, and upgrade their knowledge of national accounts, price indexing and sampling, etc. The ICP Handbook, Operational Manual and Price Collector's Guide have been translated into Arabic and sent to country offices. Pilot price collection surveys for food and beverages, and clothing and footwear, were

expected to start in mid-November 2004. Actual data collection was scheduled to commence in January 2005.

E. Latin America and the Caribbean

27. The Latin American region is ready with agreed specifications covering the entire range of goods and services for household consumption. Its survey plans have been reviewed and approved by the regional coordinators and detailed instructions to price surveyors have been issued. Several countries in the region have taken advantage of ICP to improve the standards of their respective consumer price indices and a number of them will be using the Tool Pack for parts of their CPI. The region pioneered digital photography of the goods selected for matching purposes and national catalogues are being distributed to price takers. The region's readiness to start pricing in the first quarter of 2005 had been noted; in addition, a very extensive pilot survey was scheduled to take place in the region in the fourth quarter of 2004. The region's national accountants have been apprised in detail of the nature of the programme and have been asked to provide relevant consumption weights by May 2005.

IV. Review of data-collection and publishing plans

28. Data collection for most household consumption items will begin in the first quarter of 2005 and continue through the fourth quarter. Specifications are being prepared for the remaining household items which include education, health and housing as well as for the non-household items such as government compensation, equipment and construction. Data collection for these items, which are more difficult to compare, will take place in the second half of 2005.

29. The Ring countries will collect prices for the Ring list in the third quarter of 2005. The Ring countries can use the seasonality measured by the more complete regional comparison to annualize the prices for the Ring Comparison.

30. The countries will be submitting price data to the regional coordinators on a quarterly basis during 2005 for data validation at that level while data collection is still under way. The countries will be required to submit their national annual average prices for all household and non-household items in the first quarter of 2006.

31. One of the decisions of the Executive Board was that preliminary PPPs at the regional level would be computed using 2004 expenditure weights. These will need to be available for the preliminary analysis to be carried out in the second and third quarters of 2006.

32. Final PPPs for the 2005 reference period will be prepared in the first half of 2007. These will reflect the results of the global linking from the Ring programme.

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Economic statistics: price statistics

Report of the Ottawa Group on Price Indexes

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fifth session,[a] the Secretary-General has the honour to transmit to the Commission the report of the Ottawa Group on Price Indexes (focal point: Australian Bureau of Statistics), which is presented to the Commission for information.

* E/CN.3/2005/1.
[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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Report of the Ottawa Group on Price Indexes

Purpose and organization of the Group

1. The Ottawa Group on Price Indexes was formed in 1994 to provide a forum for specialists to share their experiences and discuss research on crucial problems of measuring price change. Without avoiding theoretical issues, the focus of the Group is on applied research, particularly though not exclusively in the area of consumer price indices. The Group examines advantages and disadvantages of various concepts, methods and procedures in the context of realistic operational environments, supported by concrete examples whenever possible. Participants are specialists and practitioners who work for, or are advisers to, statistical agencies in different countries or international organizations. The Group meets every 12 to 18 months.

2. The Group has a Steering Committee, which ensures both the continuity and evolution of its activities. The Committee comprises representatives of the agencies that host the Group's recent or upcoming meetings, together with others agreed to by the membership from time to time. The representative of the Australian Bureau of Statistics is currently serving as Executive Secretary.

3. The meetings are divided into sessions, each devoted to one clearly defined topic, with a designated Moderator, who is also responsible for producing a summary of the discussions and recording any recommendations.

4. The host agency provides facilities for the meeting and arranges for the publication of proceedings, which contain the papers presented and the most important elements of discussions. They also include the Group's recommendations when a consensus clearly emerges from discussion or, if this is not the case, a summary of the varying opinions with a balanced commentary.

5. Copies of proceedings and information about the Group are also available on the Internet. The agency providing secretariat services (currently the Australian Bureau of Statistics) is responsible for maintaining a web site open to the public (www.ottawagroup.org). The Steering Committee may also decide to edit and periodically release compendia on selected topics, whenever it is warranted by the status of available materials.

Participants

6. Members of the national statistical offices of Australia, Austria, Brazil, Canada, Chile, China, Denmark, Finland, Germany, Iceland, Indonesia, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Poland, the Republic of Korea, Singapore, Spain, Sweden, Switzerland, Thailand, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Statistical Office of the European Communities (Eurostat), the Statistics Department of the International Monetary Fund, the International Labour Organization, the Economic Commission for Europe and the Organization for Economic Cooperation and Development have attended at least one meeting of the Group, as have other experts or members of national statistical offices of other countries.

Meetings

7. The Group has met on eight occasions:

- Ottawa, 31 October-3 November 1994
- Stockholm, 15-17 November 1995
- Voorburg, the Netherlands, 16-18 April 1997
- Washington, D.C., 22-24 April 1998
- Reykjavik, 25-27 August 1999
- Canberra, 16-21 April 2001
- Paris, 27-29 May 2003
- Helsinki, 23-25 August 2004

8. Meetings scheduled:

- London, 14-16 May 2006
- Ottawa, 2007

Recent activities

9. Since its last report to the Statistical Commission, in 2003, the Group has met twice — in Paris in 2003 and in Helsinki in 2004.

10. Fundamental problems of price measurement, particularly at the microlevel, have been constant themes. These include sampling, the use of different techniques and procedures for dealing with quality change (with a particular focus on hedonic methods), coping with the ever-increasing use of complex pricing schemes and the estimation formula for elementary aggregates. Each meeting has included sessions devoted to particular difficult areas for price index construction, such as financial and insurance services, housing and telecommunications. The Group has also been addressing the issue of quality control in the production of price indexes and the opportunities that electronic commerce might provide to reduce the cost of price index compilation.

Issues for consideration by the Commission

11. The Paris meeting discussed the recent advances that had been made in the commercial world to facilitate business-to-business electronic commerce. Of particular interest is the move to global harmonization of the product numbering system and the adoption of a single commodity classification. The work by European Article Numbering International and the Uniform Code Council, in conjunction with the Global Commerce Initiative, to develop a global data synchronization network was recognized as having the potential to significantly improve the efficacy of data collection for producer and consumer price indexes and for international comparisons like the International Comparison Programme. The key role played by the Universal Standard Products and Services Classification (UNSPSC) was identified. There was strong support at the meeting for the international statistical community to become involved in either the development/maintenance of that classification or at least in the development of concordances between it and existing reference classifications. It was argued that

such work would be best undertaken under the supervision of the United Nations Statistics Division.

12. **Recommendation: the Commission may wish to consider the potential of UNSPSC as a "derived" classification and whether it would be appropriate for the United Nations Statistics Division to investigate the opportunities for furthering that objective.**

13. At the Helsinki meeting, the Group acknowledged the significant achievement of the Intersecretariat Working Group on Price Statistics in producing new international manuals on consumer and producer price indexes. The view of the Working Group that the manuals (particularly the electronic versions) be seen as "living documents" was strongly supported and the Group discussed how best it might contribute to that objective. It was agreed that the Group would modify its "rules of engagement" to ensure that papers dealing with issues covered by one or both of the new manuals would make explicit reference to the relevant sections in the manual(s) identifying any perceived need for change. Similarly, discussions of papers will seek to separately record any advice concerning the manuals that might be passed on to the Working Group for its consideration.

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Report of the Intersecretariat Working Group on Price Statistics

Note by the Secretary-General

In accordance with the request of the Statistical Commission at its thirty-fifth session,** the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on Price Statistics (convener: International Monetary Fund) for information. The Commission is requested to take note of the report of the Working Group.

* E/CN.3/2005/1.
** See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

04-64875 (E) 231204

Report of the Intersecretariat Working Group on Price Statistics

1. A brief note on the work of the Intersecretariat Working Group on Price Statistics was submitted by the International Labour Organization (ILO) to the Statistical Commission at its thirty-fifth session held from 2 to 5 March 2005 in New York.

2. Since then, the International Monetary Fund (IMF) has succeeded ILO as the secretariat of the Working Group.

3. The *Consumer Price Index Manual: Theory and Practice*[1] was published by ILO in July 2004 and the *Producer Price Index Manual: Theory and Practice*[2] was published by the IMF in September 2004. Electronic copies of the chapters of the Manuals are available on the web sites of the respective institutions. The Manuals were introduced at numerous conferences and meetings during the period June-September 2004. Both Manuals are being translated by IMF into French, Spanish and Russian, with expected publication by the end of 2005.

4. A new technical expert group was formed to develop an export and import price index manual. The group's first meeting was held in June 2004. the new manual will follow the same structure as that of the CPI and PPI Manuals. A draft of the manual is expected by the end of 2005. Draft chapters are currently available for review and comment from the IMF web site at http://www.imf.org/external/np/sta/tegeipi/index.htm. Comments can be provided by e-mail using the web site or sent by fax to the number provided on the web site. All comments should be received no later than August 2005.

5. The Working Group plans to meet again in the first half of 2005 to discuss the progress on the export and import price index manual. The Working Group will also discuss its future role in updating the CPI and PPI Manuals and will determine whether there are additional international needs for other price index manuals.

Notes

[1] Geneva, International Labour Office, 2004.

[2] Washington, D.C., IMF, 2004.

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1. A brief note on the work of the Intersecretariat Working Group on Price Statistics was submitted by the International Labour Organization (ILO) to the Statistical Commission at its thirty-fifth session held from 2 to 5 March 2004 in New York.

2. Since then, the International Monetary Fund (IMF) has succeeded ILO as the secretariat of the Working Group.

3. The *Consumer Price Index Manual: Theory and Practice*[1] was published by ILO in July 2004 and the *Producer Price Index Manual: Theory and Practice*[2] was published by the IMF in September 2004. Electronic copies of the chapters of the Manuals are available on the web sites of the respective institutions. The Manuals were introduced at numerous conferences and meetings during the period June-September 2004. Both Manuals are being translated by IMF into French, Spanish and Russian, with expected publication by the end of 2005.

4. A new technical expert group was formed to develop an export and import price index manual. The group's first meeting was held in June 2004. The new manual will follow the same structure as that of the CPI and PPI Manuals. A draft of the manual is expected by the end of 2005. Draft chapters are currently available for review and comment from the IMF web site at http://www.imf.org/external/np/sta/tegeipi/index.htm. Comments can be provided by e-mail using the web site or sent by fax to the number provided on the web site. All comments should be received no later than August 2005.

5. The Working Group plans to meet again in the first half of 2005 to discuss the progress on the export and import price index manual. The Working Group will also discuss its future role in updating the CPI and PPI Manuals and will determine whether there are additional international needs for other price index manuals.

Notes

[1] Geneva, International Labour Office, 2004.

[2] Washington, D.C., IMF, 2004.

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Item 4 (g) of the provisional agenda*
Economic statistics: informal sector statistics

Report of the Delhi Group on Informal Sector Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fifth session,** the Secretary-General has the honour to transmit for information the report of the Delhi Group on Informal Sector Statistics. The Commission is requested to take note of the report of the Group.

* E/CN.3/2005/1.
** See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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Report of the Delhi Group on Informal Sector Statistics

Purpose

Set up as an international forum to exchange experience in the measurement of the informal sector, document the data-collection practices, including definitions and survey methodologies followed by member countries, and recommend measures for improving the quality and comparability of informal sector statistics.

Participants

Experts from the statistical offices of Armenia, Australia, Bangladesh, Brazil, Colombia, Cuba, Ethiopia, Fiji, France, India, Indonesia, Malaysia, Mexico, Namibia, Nepal, Nigeria, the Philippines, Poland, the Republic of Korea, Sri Lanka, Thailand, Turkey, Venezuela (Bolivarian Republic of) and Zambia; international bodies, such as the Asian Development Bank, the Economic and Social Commission for Asia and the Pacific, the International Labour Organization, the Statistical Institute for Asia and the Pacific and the United Nations Statistics Division; and other institutions, such as the Centre for Development Alternatives, the Centre for Social Development, the French Scientific Research Institute for Development and Cooperation, the Gujarat Institute for Development Research, the Harvard Institute for International Development, the National Council for Applied Economic Research, the Self-Employed Women's Association, the Socio-economic Research Centre and Women in Informal Employment Globalizing and Organizing.

Meetings

First meeting: New Delhi, 20-22 May 1997.

Second meeting: Ankara, 28-30 April 1998.

Third meeting: New Delhi, 17-19 May 1999.

Fourth meeting: Geneva, 28-30 August 2000.

Fifth meeting: New Delhi, 19-21 September 2001.

Sixth meeting: Rio de Janeiro, 16-18 September 2002.

Seventh meeting: New Delhi, 2-4 February 2004.

Topics considered

First meeting

The meeting was focused primarily on evolving the terms of reference of the Delhi Group and presenting papers on country experience in the collection and publication of informal sector statistics. The importance of the informal sector for the economies of developing countries and the developments in its measurement were also discussed by different international organizations.

Second meeting

The current status of, inter alia, informal sector statistics, limitations of comparability and country profiles was discussed. A number of technical issues, such as definitional issues, classification and operational problems, survey

approaches and sampling designs, including mixed household and enterprise surveys, were discussed in detail. In addition, the contribution of the informal sector in terms of, inter alia, employment, value added and capital formation in the economy of participating countries was also discussed.

Third meeting

The meeting was structured to focus discussions on the following specific technical issues:

(a) Operationalization of the Fifteenth International Conference of Labour Statisticians/System of National Accounts, 1993 international definition of the informal sector;

(b) Strategies to address the issues relating to sampling frame and weighting in informal sector surveys;

(c) Methodologies for obtaining accurate measures of value added for the informal sector.

The meeting recognized that the national definitions of the informal sector cannot be fully harmonized as the informal sector manifests itself in different ways in different countries. However, the recommendation was made to use the criteria of legal organization, type of account and product destination in the definition and identification of informal sector units.

Fourth meeting

The meeting consisted of three technical sessions devoted to:

(a) Presentation of results of informal sector surveys conducted by different countries in relation to the action taken and limitations of different survey methods and sampling designs;

(b) Methodology for developing more accurate measures of value added and estimation of the contribution of the informal sector to gross domestic product;

(c) Alternative structure of the International Standard Industrial Classification of All Economic Activities, Revision 3, for the informal sector.

Fifth meeting

The technical issues were structured along the following topics:

(a) Application of informal sector definition: treatment of persons at the borderline between own-account workers and employees;

(b) Development of criteria for the identification of persons in informal (or precarious, non-standard etc.) employment inside and outside the informal sector;

(c) Sampling frames and designs for mixed household and enterprise surveys;

(d) Evaluation of informal sector survey data and measures for quality improvement;

(e) Country experience.

Sixth meeting

The sixth meeting considered the following issues:

(a) Operationalization of the concept of "informal employment" as distinct from "informal sector employment";

(b) Linkages of informal sector statistics with income and expenditure and poverty statistics;

(c) Establishment of comparable data sets on the informal sector;

(d) Methods and procedures for the collection of informal sector statistics on a regular basis, including the preparation of a manual.

Seventh meeting

The seventh meeting considered the following issues:

(a) Defining informal employment and methodologies for its measurement;

(b) Improving the quality of informal sector statistics — country experience;

(c) Measurement of the informal economy through income and expenditure surveys.

Achievements

(a) Stocktaking and documentation of existing country experience in the measurement of informal sector and informal employment;

(b) Based on the Fifteenth International Conference of Labour Statistics resolution, development of a harmonized definition of the informal sector to obtain internationally more comparable statistics;

(c) Refinement of the Fifteenth International Conference of Labour Statistics definition (e.g. regarding the treatment of households employing paid domestic workers);

(d) Inputs to the revision of the International System of Industrial Classifications;

(e) Provision of technical feedback to countries for the development of informal sector statistics;

(f) Upon the initiative of the Delhi Group, an integrated survey of households in India was conducted in 1999-2000 on employment, unemployment, consumer expenditure and non-agricultural enterprises in the informal sector that was the largest survey on the informal sector ever undertaken in the world;

(g) Upon the suggestion by the Delhi Group and with the support of its members, the International Labour Organization developed a conceptual framework for defining informal employment that was adopted in the form of international guidelines by the Seventeenth International Conference of Labour Statistics as a complement to the Fifteenth International Conference of Labour Statistics resolution;

(h) Organization of annual meetings on specific topics agreed by the Group, which take stock of the progress achieved and are documented through the publication of meeting reports (including the papers discussed in the meetings);

(i) Conceptual and analytical work done on measuring the links between poverty and the informal sector/informal employment.

Products

Reports of the first through sixth meetings. The report of the seventh meeting is under preparation.

Planned activities

The future work programme of the Delhi Group, as resolved at its seventh meeting, held in New Delhi from 2 to 4 February 2004, includes the following:

(a) Identification, definition and development of a core set of indicators on informal sector and informal employment in line with the importance placed on informal employment by the Task Force on Education and Gender Equality of the United Nations Millennium Project;

(b) Operationalization of the Seventeenth International Conference of Labour Statistics adopted definition of informal jobs of employees;

(c) Definition and measurement of subgroups of the various types of informal jobs in relation to status of employment and development of methods and survey questions to reduce classification errors in respect of employment situation on the borderline of status in employment categories;

(d) Identification of various types of informal jobs in agriculture;

(e) Devising a checklist for the evaluation of data quality of surveys on the informal sector and informal employment;

(f) Further work on the measurement of the contribution of informal sector/ informal employment to gross domestic product, including work by regional and international organizations;

(g) Recommending more detailed categories for the updating of the International Standard Classification of Occupations, 1988, to cover specific descriptions of informal activities;

(h) Continue conceptual and analytical work on measuring the links between poverty and informal employment.

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